

## CHAPTER 8

SPECIAL REPORTS0801 CASH FLOW REPORT

080101 Purpose. The Cash Flow Report is the result of conducting periodic cash management reviews as required by the Deficit Reduction Act of 1984. The review is conducted to identify potential improvements in the Agency's cash management practices, with the general goal of accelerating the collection process, the proper timing of disbursements, and the minimizing of cash balances held outside the U.S. Treasury. The cash management review shall:

A. Determine if the DoD Component is appropriately billing, collecting, depositing, disbursing, and holding funds in compliance with I TFM 5-2000, I TFM 6-2000, and I TFM 6-8000.

B. Document DoD Component cash flows to include collections, disbursements, and cash holdings.

C. Determine if an opportunity exists to implement a better mechanism or process, upgrade an existing mechanism or process, or adopt changing technology.

080102 Applicability and Scope. The provisions of this section apply to all DoD Components. Comprehensive cash management (flow) reviews shall be conducted every 5 years. The DoD Components shall complete the cash flow reviews over a 2-year period. During interim years between cash flow reviews, each DoD Component shall certify annually that its cash management practices are in compliance with appropriate standards for its collection and disbursement cash flows and imprest funds.

A. The Military Services and Defense Agencies shall review and document incoming (collection) and outgoing (disbursement) cash flows that exceed an aggregate of \$1 million per annum, and imprest funds. Before the start of the reviews, DoD Components shall prepare implementation plans which stratify by

milestones and dates the cash flows that shall be reviewed. These plans are subject to approval by the Defense Finance and Accounting Service (DFAS).

B. Cash flows, common to the DoD Components are described at paragraphs 080106 and 080107, below and, as a minimum, shall be reviewed as appropriately meet the threshold level.

C. Use of existing systems is encouraged to monitor cash flows for subsequent year reviews. Failure to perform a cash management review or implement initiatives timely without adequate reason may result in assessment by the Treasury Department of charges for noncompliance in the amount of savings which would have otherwise been realized. Further information on the assessment of charges and appeal procedures are in I TFM 6-8080. The Treasury Department may elect to identify cash management initiatives with corresponding implementation dates based on available information. The DoD Component will be responsible for reporting on such initiatives.

080103 Report Format

A. Cash Flow Reports shall be prepared, as prescribed in paragraph 080105, below, in the format illustrated as figure 8-1.

B. Cash Management Agency Certifications (Certifications) shall be prepared, as prescribed in paragraph 080105, below, in the format illustrated as figure 8-2.

080104 Frequency and Distribution

A. Cash Flow Reports and implementation plans, as required by paragraph 080102, above, shall be submitted by the DoD Components as follows:

1. The Military Departments, shall submit implementation plans to be received by

DFAS by August 15 in the FY preceding the start of the 2-year cash flow review cycle. As cash flows are documented, they shall be submitted to DFAS in accordance with the dates established by the implementation plan.

2. Defense Agencies and DoD Field Activities shall submit implementation plans to be received by the DFAS by August 5 in the FY preceding the start of the 2-year cash flow review cycle. As cash flows are documented, they shall be submitted to the DFAS in accordance with the dates established by the implementation plan.

B. DoD Component cash flow implementation plans shall be approved by the DFAS and consolidated for transmittal to the Treasury Department, by September 1, in the FY preceding the start of the 2-year cash flow review cycle. Cash Flow Reports shall be approved and submitted to Treasury by the DFAS in accordance with the agreed upon implementation schedule for each flow.

C. Cash Management Agency Certifications, as required by paragraph 080105, above, shall be submitted by the DoD Components as follows:

1. The Military Departments shall submit Cash Management Certifications to be received by the DFAS by August 31 during each FY in which a cash flow review is not required.

2. Defense Agencies and DoD Field Activities shall submit Cash Management Certifications, as appropriate, to be received by the DFAS, by August 20 in the FYs in which a cash flow review is not completed.

D. The results of DoD Component Cash Management Certifications shall be approved and consolidated by the DFAS for transmittal, by September 15 each year, to the Treasury Department.

#### 080105 Preparation Instructions

A. A Cash Flow Report must be accomplished for each individual cash flow that meets the criteria of paragraph 080102, above. Minimum review requirements, described at paragraph 080106 and 080107, below, have been prepared to assist DoD Components in preparing their cash flow reports.

B. Cash flow identification numbers shall be assigned by the DoD Component as prescribed by the following criteria:

##### 1. Army

Receipt	DA 1001 - 1999
Disbursement	DA 2001 - 2999

##### 2. Air Force

Receipt	DF 1001 - 1999
Disbursement	DF 2001 - 2999

##### 3. Navy

Receipt	DN 1001 - 1999
Disbursement	DN 2001 - 2999

##### 4. Defense Agencies and OSD

###### Field Activities

Receipt	D 1001 - 1999
Disbursement	D 2001 - 2999

DB - DMA  
 DH - DNA  
 DR - DCAA  
 DZ - DODDS  
 DJ - CJCS  
 DS - DLA  
 DO - OCHAMPUSDK - DCA  
 DT - DSAA  
 DD - OSD and WHS  
 DL - DIA  
 DV - DIS  
 DE - ARPADM - USMC  
 DW - USUHS  
 DG - NSA  
 DQ - DLSA  
 DX - DODIG

080106 Minimum Receipt and/or Collection Cash Flow Review Requirements:

A. Individuals

1. Collections from Military Personnel

a. Refund of Pay and Allotments. Refunds from military personnel for overpayments of pay or allotments.

b. Transportation. Collections from military personnel related to "space available" military airlift command flights.

c. Veterans Education Assistance Program. Contributions from service members towards education benefits.

d. Debt. Collections on outstanding military debt.

e. Servicemen Group Life Insurance Premiums (SGLI). Payments received for SGLI premiums.

f. Other Overpayments. Collections for other overpayments.

g. Tuition Reimbursement. Repayment of tuition fees by military personnel who dropped a college course paid for by the Government.

h. Commissary. Receipts of daily deposits from service commissaries.

i. Service Academies. Collections from the operation of stores at the respective service academies.

2. Collections from Civilian Personnel

a. Refund of Pay and Allotments. All collections from civilian personnel for the maintenance of health and life insurance benefits, jury duty pay, returned checks for duplicate payments, overpayments, or withdrawn Civil Service Retirement Funds.

b. Debt. Collections from repayment of outstanding civilian debt.

3. Collections from Military or Civilian Personnel

a. Excess Shipping Allowance. Refunds from military and civilian personnel who shipped more weight than authorized by the Joint Federal Travel Regulation or the Joint Travel Regulation.

b. Government Property Lost or Damaged. Collections from military and civilian personnel for Government-owned items that were lost or damaged.

c. Hospital and/or Medical. Collections made at service hospitals, clinics, and medical facilities.

d. Dining Facilities. Collections made at dining and mess facilities for meals served to military and civilian personnel.

e. Travel Advance Overpayments. Repayment of retained advances for travel.

f. Judge Advocate General (JAG) Claims. Claims processed through the JAG office from individuals for recovery of disputed medical charges, traffic fines on installations, and other amounts.

g. Other. Other collections from military and/or civilian personnel, that do not fit into the above categories and cannot be allocated separately to collections from either military or civilian personnel.

4. Collections from Individuals Outside of Government

a. Refund of Pay and Allotments - Retired. Refunds collected from retirees for overpayments of pay and allotments.

b. Out-of-Service Debt. Collections of outstanding debts by former Service members.

c. Retired Debt. Collections of outstanding debts by retired Service members.

d. Tuition Payments. Collections of tuition from U.S. citizens, or other students (not employed by Department of Defense) attending DoD-operated schools.

e. Survivor Benefit Plan and Retired Servicemen Family Protection Plan. Collections from the Survivor Benefit Program, the Retired Servicemen Family Protection Plan, and/or other similar type plans.

#### B. Business

1. Transportation Request Refunds. Collections from carriers for unused airline tickets; or refunds arising from a difference between the ticket cost at the time of payment and the cost when the travel was completed.

2. Loss and Damage Refunds. Payment received from commercial carriers for settlement of claims for loss or damage of government shipments.

3. JAG Claims. Recoveries processed through the JAG office from carriers for goods damaged during shipments.

4. Bill of Lading Refund - Reweigh. Remittances from carriers for shipping weight variances and reweighs.

5. Duplicate Pay Refunds. Collections from companies for duplicate payments.

6. Coupon Reimbursement. Collections from contractors used as clearinghouses to process manufacturer's coupons accepted at commissaries.

7. Contractor Refunds, Debt and/or Default. Repayments by contractors for incorrect charges and overpayments due to contract modifications or final audits, collections from contractors on debt outstanding, and/or receipts from claims against contractors for damages and defaults on contracts.

8. Sales and Services. Collections exclusively from business entities for sales and services performed and provided by a Government activity, or a byproduct of such activity, including, but not limited to, items such as plans, specifications, parts, materials, and airlift services.

#### C. Other: Individuals and/or Business and/or Government

1. Rent and/or Lease and/or Utilities. Collections received from the use and tenancy of government property, both real and personal, including land, buildings, housing facilities, and equipment; and from the provision of utility services by the government to non-government activities such as banks, restaurants, and contractor offices.

2. NSF Checks. Collections from nonsufficient funds checks and canceled checks.

3. Freedom of Information Act (FOIA) (reference (cc)). Receipts from fees and other charges for services under the FOIA.

4. Disposal. Sale of obsolete and surplus Government property and equipment.

5. Reimbursable Orders. Receipts for services and work performed for other Federal agencies, state or local governments, and nonappropriated fund instrumentalities.

6. Tax Refunds. Receipts from State and local governments for taxes incurred in government purchases for which the Federal Government is not liable.

7. Interest Receipts. Interest collected on loans, investments, and other equities, in addition to interest collected on advances, deposits, duplicate payments, and default claims.

8. Foreign Currency. Funds received for foreign currency conversion and gains made on foreign currency exchange.

9. Sales. Proceeds from the sale of any article or commodity produced by, or that

results from, the effort of a government activity, or the byproduct of any activity, as well as the proceeds from services performed by such activities. Excludes foreign military sales.

10. Foreign Military Sales.  
Proceeds from foreign military sales.

11. Miscellaneous. Other receipts and collections which do not fit into any of the categories and cannot be allocated separately to individuals or companies.

080107 Minimum Disbursement Cash Flow Review Requirements:

A. Individuals

1. Disbursements to Military Personnel

a. Net Pay. Net pay disbursed to Active Duty, Reserve, or National Guard personnel.

b. Military Pay - Casual. Casual and advance payments made to Active Duty, Reserve, or National Guard personnel.

c. Military Pay Allotment. Disbursements made to active duty military personnel for insurance, dependents, savings, loans, or mortgages.

d. Permanent Change of Station (PCS) Travel. Payments made to military personnel when they are making a PCS move (advances and settlements).

e. Miscellaneous Pay. Disbursements for separation payments, replacement payments, and nonpayroll payments.

2. Disbursements to Civilian Personnel.

a. Civilian Payroll. All pay disbursed to civilian personnel.

b. Civilian Allotment. Disbursements made for insurance, dependents, savings, loans, or mortgages.

c. Change of Station. Payments made to civilian employees who are making a PCS move (advances and settlements).

3. Disbursements to Military or Civilian Personnel

a. Travel Advance. Payments made to both military and civilian personnel performing travel.

b. Travel Payments. Payments for accrued per diem and full reimbursement for travel.

c. Other Advances. Other advances that are issued to personnel, both military and civilian, that are not categorized elsewhere.

d. Payroll Taxes. Tax payments made to the Federal, State, and local government taxing authorities.

e. Stipends. Payments made to students attending DoD-operated schools.

4. Disbursements to Individuals Outside of Government

a. Military Net Pay - Retired. Military pay disbursed to retirees.

b. Monthly Allotment - Retired. Disbursements made to retirees for insurance, dependents, home mortgages, garnishments, loans, or savings.

c. Travel Settlements. Disbursements made to retirees for travel claims and unsettled travel claims.

d. Miscellaneous. Other disbursements which do not fit into any of the categories and cannot be allocated separately.

B. Business1. PPA Vendor Payments.

Disbursements, covered under the Prompt Payment Act, made to vendors in fulfillment of contracts with commercial freight and passenger carriers for transportation charges and utility services.

2. Other Vendor Payments.

Disbursements made to vendors with contracts for financing arrangements or contracts with advance or partial payments, and disbursements made to contractors for overhead and interim fees and costs.

C. Other: Individuals and/or Business and/or Government

1. Payments made for the purchase of foreign currency.

2. Payments made to other Government Agencies.

3. Payments that do not fit into any of the specified categories and which cannot be allocated separately to either individuals or business.

080108 Minimum Imprest Fund Cash Flow Review Requirements: Reviews of imprest funds must be accomplished during the two-year cash flow review process to determine compliance with cash holding authority.

080109 Review Closeout. Treasury Department recommendations from the Cash Flow Review shall be discussed during a DoD closeout meeting. The recommendations that are agreed to by the Treasury Department and the DoD Component shall be summarized in writing. This correspondence shall be sent by the Treasury Department to the DFAS. These recommendations shall be transmitted by the DFAS to the respective DoD Components. Within 60 days, DoD Components shall respond to DFAS with:

A. Cash management initiatives for those Treasury Department recommendations with which DoD concurs. These initiatives shall

include documented cash flows, estimated savings, and implementation milestones. They shall be completed in accordance with paragraph 080204 below. Initiatives shall be reported as part of the Department's annual Cash Management Plan.

B. Reasons why the recommendations are not feasible, or suggestions for alternative changes. The DFAS shall provide the Treasury Department with the DoD response.

0802 CASH MANAGEMENT INITIATIVE REPORT

080201 Purpose. Each DoD Component is responsible for continually reviewing its operations and ensuring that effective cash management practices are in place, and initiating new action items when the need for improvement is indicated. The Treasury Department has developed and implemented a tracking system for all cash management initiatives. The system is used to monitor progress toward initiative completion. Each initiative is assigned milestone completion dates. Progress is reported quarterly to the Treasury Department. The Cash Management Initiative Report identifies new initiatives, reports progress on current initiatives and provides input for the annual Cash Management Plan. Specifically, there are three types of Cash Management Initiative Reports:

A. New Initiative Request. To request approval of a new initiative identified either separately through normal operations or through performance of the Cash Flow Review/Certification process.

B. Quarterly Initiative Status Report. To report on:

1. Interim Actions and/or Changes. To report completion of interim action milestones or changes in the scope, estimated cash flow, estimated savings, and estimated completion date of an initiative.

2. Initiative Completion. To report completion of an initiative.

### 3. Cash Flow and Savings Results.

To report the actual cash flow and savings results for the quarter.

C. Annual Cash Management Plan. To update all initiatives for the following fiscal year by providing the expected cash flow and savings goals by quarter, to report changes in the scope, interim milestones, and estimated completion dates of incomplete initiatives; and to request approval for new initiatives.

080202 Applicability. This section applies to all DoD Components.

### 080203 Frequency and Distribution.

A. Cash Management Initiative Reports shall be submitted to the DFAS by the DoD Components at least 5 calendar days before the due dates below. The results of each DoD Component Cash Management Initiative Report shall be consolidated by the DFAS for transmittal to the Treasury Department.

B. The following reports shall be submitted in the frequency stated:

#### 1. New Initiative Request.

Reports requesting approval of new initiatives shall be received during the update cycle for the following year's Cash Management Plan, normally by August 31 each year, or whenever a new initiative is deemed appropriate, either through the Cash Flow Review/Certification process or as circumstances dictate throughout the year.

2. Quarterly Initiative Status Report. Quarterly updating and reporting is required for all initiatives. Reports shall be received by the end of the month following the close of each fiscal quarter.

3. Annual Cash Management Plan. Reports citing the cash flows and savings goals of each initiative for the following fiscal year shall be received by the DFAS during the update cycle for the following year's Cash Management Plan, normally by August 31 each year.

080204 Preparation Instructions. The reporting format, as prescribed in figure 8-3, shall be prepared for the New Initiatives Report, the quarterly Cash Management Initiative Report and the annual Cash Management Plan.

#### A. Purpose of Report

1. New Initiative Request. Figure 8-3 report format shall be followed for the identification of new initiatives. Specific elements of the report include.

a. Type of Initiative. State whether the initiative is mechanized or other.

b. DoD Component. State the name of the DoD Component providing the report.

c. Def No. Leave this space blank for new initiatives. This number will be assigned by the DFAS.

d. Initiative Title. Provide the name of the cash management action.

e. Purpose of Report. Indicate that the submission is for a new initiative.

f. Description of Initiative. Describe the DoD Component improvement effort. Include a statement which contains a brief summary of the program, the cash management deficiency, the revised procedure, and the time phased steps necessary to correct the deficiency. State the related cash flow name and number, if applicable.

g. Current Status. This section shall be left blank for new initiatives.

h. Schedule of Tasks. State the major actions that must be completed, along with their estimated completion dates. Milestones should include the major decision points of effort, be few in number, but frequent enough to provide tracking of results. If initiative has been completed, provide a statement indicating this.

i. Reason for Variance Between Savings Goal and Actual. This section shall be left blank for new initiatives.

j. Project Officer. Provide the name and telephone number of the action officer assigned to the project. This individual should have a sound working knowledge of the initiative scope, current status of work effort, cash flows and interest saving calculations.

k. Completion Date. Provide the estimated completion date of the cash management improvement. Revisions to this date shall be justified.

l. Number of Benefit Days. State the number of benefit days that will be gained by the cash management improvement. The prescribed number of benefit days are provided in paragraph 080204.B below. Actual days may be used. However, the DoD Component shall submit an explanation justifying how actual days were computed.

m. Savings Goals. State, by quarter, the cash flow and interest savings to be achieved. Prior year experience should be used, if appropriate, to project realistic dollar flows and/or savings for each quarter.

n. Actual Cash Flow and Savings Results. This section shall be left blank for new initiatives.

o. Computation of Savings. The formulas and prescribed benefit days, as provided in paragraph 080204.B below, shall be used for interest savings calculations. If a cash management improvement is not covered by one of the established formulas, the DoD Component must provide an explanation of the calculation and a justification.

2. Quarterly Initiative Status Report. Figure 8-3 report format shall be followed for preparing quarterly reports. Specific items shall include:

a. Type of Initiative. State whether the initiative is mechanized or other.

b. DoD Component. State the name of the DoD Component providing the report.

c. Def No. Maintain the same assigned number for ongoing and completed initiatives. Leave this space blank for new initiatives. This number will be assigned by the DFAS.

d. Initiative Title. Provide the name of the cash management action.

e. Purpose of Report. Indicate whether the submission is for a new initiative or a quarterly status report on an ongoing or completed initiative.

f. Description of Initiative. Describe the DoD Component improvement effort. Include a statement which contains a brief summary of the program, the cash management deficiency, the revised procedure, and the time phased steps necessary to correct the deficiency. State the related cash flow name and number, if applicable.

g. Current Status. Provide a summary of efforts to date since the last reporting period. Efforts shall include a statement on the degree of success that was realized in implementing a specific improvement, what actions were taken, and what, if any, new initiatives were established in the process of implementation. This section will not be left blank. If an initiative was completed, then a statement will be provided on the result of the improvement. For example, if the initiative focuses on efforts to implement DD/EFT for military pay, then this section might state "The Army maintains a 98.3 percent participation rate for active duty officers. It now requires all new recruits to be paid by DD/EFT." This section shall be left blank for new initiatives.

h. Schedule of Tasks. State the major actions that must be completed, along with their estimated completion dates. Milestones should include the major decision points of effort, be few in number, but frequent enough to provide tracking of results. If



initiative has been completed, provide a statement indicating this.

i. Reason for Variance Between Savings Goal and Actual. Provide an explanation for all variances 10% above/below projected goals. This section shall be left blank for new initiatives.

j. Project Officer. Provide the name and telephone number of the action officer assigned to the project. This individual should have a sound working knowledge of the initiative scope, current status of work effort, cash flows and interest saving calculations.

k. Completion Date. Provide the estimated completion date of the cash management improvement. The actual completion date shall be entered for those initiatives completed within the reporting period. Where a planned completion date falls within the reporting period and the initiative has not been completed, that date shall be revised and an explanation given as to why the target date was not met.

l. Number of Benefit Days. State the number of benefit days that will be gained by the cash management improvement. The prescribed number of benefit days are provided in paragraph 080204.B below. Actual days may be used. However, the DoD Component shall submit an explanation justifying how actual days were computed.

m. Saving Goals. State, by quarter, the cash flow and interest savings to be achieved.

n. Actual Cash Flow and Savings Results. State, by quarter, the actual cash flow and interest savings achieved. This section shall be left blank for new initiatives.

o. Computation of Savings. The formulas and prescribed benefit days, as provided in paragraph 080204.B below, shall be used for interest savings calculations. If a cash management improvement is not covered by one of the established formulas, the DoD Component must provide an explanation of the calculation and a justification.

3. Annual Cash Management Plan. DoD Component submissions shall include: (1) all completed initiatives with estimated savings greater than \$5,000; (2) required initiatives in specified collection and disbursement areas as directed annually by DFAS; (3) recommendations made by Treasury, as contained in the Cash Management Agency Certification package, or justification provided otherwise, and (4) new initiatives as deemed appropriate, either through the Cash Flow Review process or as circumstances dictate throughout the year. Figure 8-3 report format shall be followed for preparing submissions for the Cash Management Plan. Specific items shall include:

a. Type of Initiative. State whether the initiative is mechanized or other.

b. DoD Component. State the name of the DoD Component providing the report.

c. Def No. Maintain the same assigned number for ongoing and completed initiatives. Leave this space blank for new initiatives. This number will be assigned by DFAS.

d. Initiative Title. Provide the name of the cash management action.

e. Purpose of Report. Indicate that the submission is for the Cash Management Plan.

f. Description of Initiative. Describe the DoD Component improvement effort. Include a statement which contains a brief summary of the program, the cash management deficiency, the revised procedure, and the time phased steps necessary to correct the deficiency. State the related cash flow name and number, if applicable.

g. Current Status. This section shall be left blank.

h. Schedule of Tasks. State the major actions that must be completed, along with their estimated completion dates.

Milestones should include the major decision points of effort, be few in number, but frequent enough to provide tracking of results. If initiative has been completed, provide a statement indicating this.

i. Reason for Variance Between Savings Goal and Actual. This section shall be left blank.

j. Project Officer. Provide the name and telephone number of the action officer assigned to the project. This individual should have a sound working knowledge of the initiative scope, current status of work effort, cash flows and interest saving calculations.

k. Completion Date. Provide the estimated or actual, as applicable, completion date of the cash management improvement. Revisions to this date, as specified from the last quarterly report, shall be justified.

l. Number of Benefit Days. State the number of benefit days that will be gained by the cash management improvement. The prescribed number of benefit days are provided in paragraph 080204.B below. Actual days may be used. However, the DoD Component shall submit an explanation justifying how actual days were computed.

m. Savings Goals. State, by quarter, the cash flow and interest savings to be achieved. Prior year experience should be used, if appropriate, to project realistic dollar flows and/or savings for each quarter.

n. Actual Cash Flow and Savings Results. This section shall be left blank.

o. Computation of Savings. The formulas and prescribed benefit days, as provided in paragraph 080204.B below, shall be used for interest savings calculations. If a cash management improvement is not covered by one of the established formulas, the DoD Component must provide an explanation of the calculation and a justification.

## B. Type of Initiative

1. Mechanized Initiatives. This category encompasses those improvements that are measured by a standard formula in which benefit days are a factor. Interest savings are measured using benefit days (the average number of days by which a collection flow is accelerated or a disbursement flow is deferred). Examples of mechanized initiatives include: lockbox, wire collections and payments, Governmentwide credit or charge cards, and third party drafts.

a. Formulas. DoD Components shall use the following formulas to calculate savings:

$$\text{Annual Mechanism Flow} / 250 \text{ Business Days} = \text{Daily Flow}$$

$$\text{Daily Flow} \times \text{Benefit Days} \times \text{Current Value of Funds Rate} = \text{Interest Savings}$$

$$\text{Interest Savings} / 360 \times 90 = \text{Quarterly Interest Savings}$$

b. Benefit Days. To report cash flows and savings, DoD Components shall use the following benefit days in their calculations unless supporting documentation is received showing actual computations of benefit days:

### (1) Collections

a. Lockbox	3 days
b. Federal Deposit System	3.5 days
c. TGA and/or CCS	3 days
d. CCCN (Electronic Only)	1 day
e. ACH and/or PAD or CIE	3.3 days

### (2) Disbursements

a. LOC and/or TFCS	4.7 days
b. American Express Cards (GCA)	45 days
c. American Express Government Travel Account (GTA)	30 days
d. Third Party Drafts	20 days

NOTE:

TGA = Treasury General Account  
 CCS = Cash Concentration System  
 CCCN = Credit Card Collection Network  
 ACH = Automated Clearing House  
 PAD = Pre Authorized Debit  
 CIE = Customer Initiated Debit  
 LOC = Letter of Credit  
 TFCS = Treasury Financial Communications System

2. Other Initiatives. This category encompasses those improvements that are measured by a standard cost saving formula or a formula unique to the DoD Component. Interest savings are measured using a standard cost saving per item method or by formulas devised by a DoD Component and approved by DFAS. Where the following formulas are not used, DoD Components shall provide the calculations and the justifications used to determine cash flows and savings. Examples of other initiatives are direct deposit and/or electronic funds transfer (DD/EFT), automated clearing house (ACH) and/or vendor express, Governmentwide credit card for small purchases, and reductions in imprest funds.

3. Formulas. DoD Components shall use the following formulas to calculate savings, unless greater savings can be justified:

a. DD/EFT (Civilian).

(1) Number of DD/EFT salary payments in last pay period of quarter x 6.5 (pay periods) x \$1.10.

(2) Number of DD/EFT allotment payments in last pay period of quarter x 6.5 (pay periods) x \$.40.

b. DD/EFT (Military).

(1) Number of DD/EFT salary payments in last pay period of quarter x 6 (pay periods) x \$1.10

(2) Number of DD/EFT allotment payments in last pay period of quarter x 6 (pay periods) x \$.40

(3) Number of DD/EFT monthly pension payments in last month of quarter x 3 (pay periods) x \$.26.

c. Vendor Payments (ACH).

Number of vendor or miscellaneous ACH payments in quarter x \$.26.

d. Change in Cash Position

(CP). If the improvement is a one time change in the cash position of the Treasury (i.e., reduction in imprest funds, overseas custody accounts, grant advances/advance payments, and outstanding travel advances or improvement in billing procedures), then the following formula shall be used:

CP Improvement x Current Value of Funds Rate  
 = Interest Savings

Interest Savings / 360 x 90  
 = Quarterly Interest Savings

0803 PROMPT PAYMENT REPORT

080301 Purpose and Report Control Number.

This section prescribes quarterly and annual reports on prompt payment practices of appropriated and non-appropriated activities. These reports are designed to notify the Office of the Secretary of Defense (OSD), the Treasury Department, and the Congress of the DoD performance in achieving the goals of zero early payments and zero interest penalty payments. The DoD Component reports are consolidated into DoD-wide reports for the USD(C). The DoD Prompt Payment Report is transmitted to The Treasury Department by November 30 each year, and reported by the Treasury Department to Congress. Accounting Report Control Numbers: Acct Rpt(Q)1619, Prompt Payment Report, and Acct Rpt(A)1607, Prompt Payment, have been assigned to these two reporting requirements.

080302 Applicability and Scope

A. This section applies to all DoD Components with disbursing authority. It is the paying office's responsibility to pay and report all payments for which they are responsible, regardless of the Agency being serviced.

B. The Defense Agencies and DoD Field Activities, receiving disbursing support from another DoD Component shall ensure that the prompt payment data of its Agency or field activity are accurately reflected in the quarterly and annual Prompt Payment Report of the supporting disbursing office.

C. Subject to the "Prompt Payment Act", reports are required on total early (8 days or earlier, before due dates, except where cash discounts are justifiably taken or a management decision is made), late (with interest penalty), and grace period payments (if applicable).

080303 Report Format. Quarterly and annual Prompt Payment Reports and the Prompt Payment Quality Control System Initiative Reports shall be prepared in the formats illustrated as figures 8-4 and 8-5.

080304 Frequency and Distribution

A. Quarterly Status Report. The quarterly Prompt Payment Report shall be submitted by the DoD Components, as follows:

1. Military Departments shall submit reports directly to DFAS to arrive by the end of the month following the close of each fiscal quarter.

2. Defense Agencies and DoD Field Activities shall submit reports to be received by the DFAS by the 25th calendar day following the close of each fiscal quarter.

B. Annual Status Report. The annual FY Prompt Payment Report shall be submitted by the DoD Components, as follows:

1. Military Departments shall submit reports directly to the DFAS to arrive by November 15, each year.

2. Defense Agencies and OSD Field Activities shall submit reports to be received by the DFAS by November 10, each year.

C. Quality Control System Initiative Report. The annual Quality Control System Initiative Report shall be submitted by the DoD Components, as follows:

1. Military Departments shall submit reports directly to the DFAS to arrive by November 15, each year.

2. Defense Agencies and DoD Field Activities shall submit reports to be received by the DFAS by November 10, each year.

D. The results of DoD Component FY prompt payment data shall be consolidated by the DFAS into the annual DoD Prompt Payment Report for transmittal annually, by November 30, to the Treasury Department.

080305 Preparation Instructions

A. Quarterly Prompt Payment Report. With respect to figure 8-4, DoD Components shall submit report elements A through H, including year-to-date totals, for the quarterly status report.

B. Annual Prompt Payment Report. When supplemented with sections IX through XII report elements I through L (see figure 8-4) and the Quality Control Initiatives Report (paragraph 080305.C, below), the fourth quarter report will satisfy the annual requirement. DoD Component reports shall be certified by an Agency senior official with line authority over the procurement, logistics, and payment processes.

C. Quality Control Initiatives Report. Initiatives to establish, improve, or maintain a quality control program to assess performance of payment systems and provide a reliable way to improve payment performance shall be reported in the format provided at figure 8-5.

0804 DIRECT DEPOSIT/ELECTRONIC FUNDS TRANSFER (DD/EFT) STATUS REPORT

080401 Purpose. DoD is required to provide data to the Treasury Department's Financial Management Service that reflect payment volumes stratified by payment mechanism; e.g., cash, Treasury Department check, direct deposit of salary payments and EFT of vendor payments. The DD/EFT Status Report has been designed to provide data for consolidation and transmission

to fulfill this Treasury Department requirement. The report also serves as a gauge for compliance with the DoD policy that travel vouchers must be paid within 15 days after receipt in the disbursing office.

080402 Applicability and Scope. Each DoD Component with disbursing authority shall submit DD/EFT Status Reports, as specified herein. Data for the U. S. Marine Corps shall be identified separately in Department of the Navy submissions.

080403 Report Format. DD/EFT Status Reports shall be prepared, as prescribed in paragraph 080405, below, in the format illustrated as figure 8-6.

080404 Frequency and Distribution

A. DD/EFT Status Reports, as required by paragraph 080402, above, shall be submitted by the DoD Components, as follows:

1. Military Departments submit reports to be received by DFAS within 30 days following the close of each fiscal quarter.

2. Defense Agencies submit reports to be received by DFAS within 20 days following the close of each fiscal quarter.

B. DoD Component data shall be consolidated by DFAS for transmittal quarterly to the Treasury Department's Financial Management Service.

080405 Preparation Instructions

A. The DD/EFT Status Report Encompasses the Following Types of Payments:

1. Centralized military pay.
2. Centralized military retiree pay.
3. Centralized annuitant pay.
4. Centralized Reserve Component pay.
5. Centralized allotments.

6. U.S. civilian pay (i.e., Executive Level, Senior Executive Service (SES), General Manager and/or General Schedule (GM/GS), Wage Grade, and Wage Board), both for employees in the 50 States and overseas.

7. Travel settlement payments.

8. Vendor payments.

B. Part I - Direct Deposit. Personnel strength and participation, rounded to the nearest 100, shall be as of the last pay period of the fiscal quarter. Dollar amount shall be total payments for the fiscal quarter. The participation rate shall be obtained by dividing the number of participants by personnel strength and rounding to the nearest tenth of one percent. Any categories of personnel excluded due to training or operational considerations shall be so footnoted.

C. Part II - Allotments. Number (of payments) and dollar amount both shall be totals for all pay periods in the fiscal quarter. Any categories of personnel excluded due to training or operational considerations shall be so footnoted.

D. Part III - Travel Payments. To provide for necessary local reporting and consolidation, the number (of payments) and dollar amount, both shall be totals for the 3-month period ending at the close of the second month of each fiscal quarter. Average settlement time shall be the average (mean) of days taken by all reporting disbursing stations to process and pay travel vouchers once submitted by serviced personnel. The range shall be the low and high number of days reported by disbursing offices for the period.

E. Part IV - Vendor Payments. To provide for necessary local reporting and consolidation, the number (of payments) and dollar amount both shall be totals for the 3-month period ending at the close of the second month of each fiscal quarter.

<b><u>COLLECTIONS CASH FLOW REPORT</u> *</b>		
Name and Number of Cash Flow:		
A. Provide a concise description of the Cash Flow:		
B. List types of remitters (individuals, corporations, etc.):		
C. How many locations collect this Cash Flow?		
D. What Fiscal Year Does data reflect?		
	<b>Item Count</b>	<b>\$ Volume</b>
E. Annual Item/Dollar Volume:		\$
F. Average Per Item Dollar Amount:	\$	
G. Frequency of Receipts:		
-- Nonrecurring	_____	\$
-- Recurring at a Fixed Amount	_____	\$
-- Recurring with Fluctuating Amounts	_____	\$
H. Size of Receipts:		
-- \$0 - \$1,000	_____	\$
-- \$1,001 - \$24,999	_____	\$
-- \$25,000 and over	_____	\$
I. Composition of Receipts:		
-- Cash	_____	\$
-- Treasury Checks	_____	\$
-- Checks (Domestic)	_____	\$
-- Foreign Checks	_____	\$
-- Credit Cards	_____	\$
-- Wires	_____	\$
-- ACH (Type_____)	_____	\$
-- Other (Type_____)	_____	\$
J. Method of Receipt:		
(Over the counter, mail, courier,		
ACH, wire, etc.		
_____	_____	\$
_____	_____	\$

<b>COLLECTIONS CASH FLOW REPORT *</b>		
Collection Cash Flow Report # _____		
	<b>Item Count</b>	<b>\$ Volume</b>
K. Method of Deposit: (Lockbox, TGA, FRB, EFT, etc.) _____ _____	_____ _____	\$ \$
L. DSSN:	ZIP CODE:	
M. Describe briefly how item counts and dollar volumes for this report were computed and how data were collected:		
N. Do you expect the dollar amount and/or item count change by 25% in the foreseeable future?  Increase:___ Decrease:___ Remain the Same:___  Please explain Changes:		
O. Does this Cash Flow combine or replace any previously identified flows?  If so, which ones?		
P. What percentage of total receipts for the DoD Component does this Cash Flow represent? ___%		
Q. Component Evaluation:  -- What percentage of this Cash Flow is acceptable? _____ _____  -- What percentage of this Cash Flow requires Internal Improvements? (Description, Projected Savings, End Date) _____ _____  -- What percentage of this Cash Flow requires a Treasury assisted mechanism? (Name of mechanism suggested) _____ _____		
R. Cash Management Plan DEF Number:		

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-1

<b><u>DISBURSEMENTS CASH FLOW REPORT *</u></b>		
Name and Number of Cash Flow:		
A. Provide a concise description of the Cash Flow:		
B. List types of payees (individuals, corporations, etc.):		
C. How many locations authorize these payments?		
D. What Fiscal Year Does data reflect?		
	<b>Item Count</b>	<b>\$ Volume</b>
E. Annual Item/Dollar Volume:		\$
F. Average Per Item Dollar Amount:	\$	
G. Frequency of Payments:		
-- Nonrecurring	_____	\$
-- Recurring at a Fixed Amount	_____	\$
-- Recurring with Fluctuating Amounts	_____	\$
H. Size of Payments:		
-- \$0 - \$1,000	_____	\$
-- \$1,001 - \$24,999	_____	\$
-- \$25,000 and over	_____	\$
I. Composition of Payments:		
-- Cash	_____	\$
-- Third Party Drafts	_____	\$
-- Treasury Checks	_____	\$
-- Checks (Type _____)	_____	\$
-- IMPAC Card	_____	\$
-- Wire (Type _____)	_____	\$
-- Letter of Credit (Type _____)	_____	\$
-- Direct Deposit	_____	\$
-- ACH/Vendor Express	_____	\$
-- Other _____	_____	\$
	_____	\$
J. Method of Delivery:		
(Mail, over the counter, courier,		
ATM, ACH, wire, etc.		
_____	_____	\$
_____	_____	\$
K. DSSN:	ZIP CODE:	



<b><u>DISBURSEMENTS CASH FLOW REPORT</u> *</b>	
Disbursement Cash Flow Report # _____	
L.	Describe briefly how item counts and dollar volumes for this report were computed and how data were collected:
M.	Do you expect the dollar amount and/or item count change by 25% in the foreseeable future?  Increase:___ Decrease:___ Remain the Same:___  Please explain Changes:
N.	Does this Cash Flow combine or replace any previously identified flows?  If so, which ones?
O.	What percentage of total payments for the DoD Component does this Cash Flow represent? ___%
Q.	Component Evaluation:  -- What percentage of this Cash Flow is acceptable? _____  -- What percentage of this Cash Flow requires Internal Improvements? (Description, Projected Savings, End Date) _____  -- What percentage of this Cash Flow requires a Treasury assisted mechanism? (Name of mechanism suggested) _____ _____
R.	Cash Management Plan DEF Number:

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-1 (Cont)

<b><u>IMPREST FUND CASH FLOW REPORT</u> *</b>	
Name(s) and number(s) of Cash Flows which include Imprest Fund disbursements (Vendor Payments, etc.)	
A. Number of locations with Imprest Funds:	
B. Average Imprest Fund Balance:	
C. Average Imprest Fund Disbursements:	
	<b>CHECK APPLICABLE Lines</b>
D. Type of Disbursement: Small Purchase Travel Advance Travel Reimbursements Emergency Salary Payments Other: _____	_____ _____ _____ _____ _____
	<b>CHECK APPLICABLE Lines</b>
E. Method of Disbursement Used to Reduce Imprest Funds: IMPAC Credit Card Third Party Draft Travelers Checks AMEX Charge Card Other: _____	_____ _____ _____ _____ _____
F. Frequency of Imprest Fund Replenishment: _____	
G. Describe how the Imprest Fund is Replenished: _____ _____ _____	
H. Frequency of Unannounced Verification of Cash Balances: _____ _____	
I. Frequency of Review to Ensure Imprest Fund is Commensurate with Actual Needs: _____ _____ _____	

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-1 (Cont)

<b><u>AGENCY CERTIFICATION:</u></b> <b><u>CASH MANAGEMENT PRACTICES *</u></b>				
SECTION I. TREASURY FINANCIAL MANUAL (TFM) STANDARDS				DEPARTMENT OF DEFENSE DoD COMPONENT
CASH FLOW NUMBER	TITLE	DOLLAR AMOUNT	DOES THE FLOW MEET THE TFM STANDARDS? (YES/NO)	IF "NO": INCLUDE AN ACTION PLAN FOR THE IMPROVEMENTS NECESSARY TO BRING THE FLOW INTO COMPLIANCE WITH THE TFM STANDARDS

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-2

<b><u>AGENCY CERTIFICATION:</u></b> <b><u>CASH MANAGEMENT PRACTICES</u> *</b>	
<b>SECTION II. CASH MANAGEMENT RECOMMENDATIONS</b>	<b>DEPARTMENT OF DEFENSE DoD COMPONENT</b>
<b>CURRENT STATUS OF CASH MANAGEMENT RECOMMENDATIONS</b>	<b>AGENCY RESPONSE/ ACTION PLAN</b>
<u>COLLECTIONS</u>	
1. CREDIT CARDS	
2. OFFSET	
3. LOCKBOX	
4. DEBIT CARDS	
5. AUTOMATED CLEARING HOUSE	
6. OTHER	
<u>DISBURSEMENTS</u>	
1. ACH/VENDOR EXPRESS	
2. DIRECT DEPOSIT/ELECTRONIC FUNDS TRANSFER (DD/EFT)	
3. ON-LINE PAYMENT AND COLLECTION SYSTEM (OPAC)	
4. OTHER	

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-2 (Cont)

<b><u>AGENCY CERTIFICATION:</u></b> <b><u>CASH MANAGEMENT PRACTICES *</u></b>
<b>SECTION III . AGENCY CERTIFICATION</b>
<p style="text-align: center;">AGENCY CASH MANAGEMENT POLICY OFFICIAL</p> <p>TYPE OR PRINT NAME _____</p> <p>TITLE WITHIN AGENCY _____</p> <p>ORGANIZATIONAL UNIT _____</p> <p>NAME OF AGENCY _____</p> <p style="text-align: center; margin-top: 20px;">I certify that the information contained in this Agency Certification package is accurate and complete to the best of my knowledge and that it complies with TFM cash management provisions unless otherwise noted in the package.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 70%;"> <p>_____ SIGNATURE OF CASH MANAGEMENT POLICY OFFICIAL</p> </div> <div style="width: 25%;"> <p>_____ DATE</p> </div> </div> <p style="text-align: center; margin-top: 20px;">FOR INFORMATION REGARDING THIS CERTIFICATION PACKAGE, CONTACT:</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> <p>_____ NAME/TITLE</p> </div> <div style="width: 35%;"> <p>_____ PHONE NUMBER</p> </div> </div>

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-2 (Cont)

<b><u>CASH MANAGEMENT INITIATIVE REPORT</u> *</b>					
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p><b>DoD COMPONENT:</b></p> <p><b>INITIATIVE TITLE:</b></p> <p><b>PURPOSE OF REPORT:</b>  <input type="checkbox"/> - New Initiative Report  <input type="checkbox"/> - Quarterly Status Report  <input type="checkbox"/> - Cash Management Plan</p> <p><b>DESCRIPTION OF INITIATIVE:</b></p> <p><b>CURRENT STATUS:</b></p> <p><b>SCHEDULE OF TASKS OUTSTANDING:</b></p> <p><b>REASON FOR VARIANCE BETWEEN SAVINGS GOAL AND ACTUAL:</b></p> <p><b>PROJECT OFFICER:</b></p> <p><b>COMPLETION DATE:</b></p> <p><b>SAVINGS GOALS:</b></p> </div> <div style="width: 35%; text-align: center;"> <p><b>CASH MANAGEMENT INITIATIVES TYPE--</b></p> <p><b>DEF NO.</b></p> <p><b>PHONE NO:</b></p> <p><b>NO. OF BENEFIT DAYS:</b></p> </div> </div>					
<b>FY:</b>	<b>1ST QTR</b>	<b>2ND QTR</b>	<b>3RD QTR</b>	<b>4TH QTR</b>	<b>TOTAL</b>
CASH FLOW:					
INTEREST:					
<b>ACTUAL CASH FLOW AND SAVINGS RESULTS:</b>					
<b>FY:</b>	<b>1ST QTR</b>	<b>2ND QTR</b>	<b>3RD QTR</b>	<b>4TH QTR</b>	<b>TOTAL</b>
CASH FLOW:					
INTEREST:					
<b>COMPUTATION OF SAVINGS:</b>					

\* Attach additional sheets if you need more room. Put the name of your agency at the top of each sheet.

FIGURE 8-3

199

200



<b>PROMPT PAYMENT REPORT</b> <b>ACCT RPT (Q) 1619</b> <b>FOR QUARTER ENDING _____, 199X</b>		
COMPONENT:		DATE:
PROJECT OFFICER:		PHONE NO.:
	Current Qtr.	Year-to-Date
(2) Number  (3) Specify Reason(s): _____ _____ _____		
<b>C. <u>Payment Made 1 to 15 Days After Due Date 2/</u></b>  1. Dollar Amount: \$ _____  2. Number: _____  3. Relative Frequency (C.2. / A.1.b.) _____ %		
<b>D. <u>Invoices paid 8 Days, or More Before Due Date, Except When Cash Discounts Taken:</u></b>  1. Subject to a Determination under Section 4.1 of OMB Circular A-125:  a. Dollar Amount \$ _____  b. Number _____  c. Relative Frequency (D.1.b. / A.1.b.) _____ %  2. Not subject to a Determination Under Section 4.1 of OMB Circular A-125:  a. Dollar Amount \$ _____  b. Number _____  c. Relative Frequency (D.2.b / A.1.b.) _____ %		

<b><u>PROMPT PAYMENT REPORT</u></b> <b><u>ACCT RPT (Q) 1619</u></b> <b>FOR QUARTER ENDING _____, 199X</b>		
COMPONENT:		DATE:
PROJECT OFFICER:		PHONE NO.:
	Current Qtr.	Year-to-Date
<b>E. <u>Discounts:</u></b>  1. Number Available  2. Number Taken  3. Number Not Taken Because Not Economically Justified  4. Reasons for Failing to Take Economically Justified Discounts, in Declining Order of Importance:  a. _____ b. _____ c. _____ d. _____ e. _____		
<b>F. <u>On a Separate Sheet, Please Provide for Each Payment Center:</u></b>  1. Number of Invoices Paid Subject to the Prompt Payment Act and Circular A-125. (Should equal A.1.b.)  2. Number and Dollar Amount of Interest Penalties Paid. (Should equal B.3.(a. and b.) and B.4.(a. and b.)		
<b>G. <u>Frequency Distribution of Late Payment Interest Penalties:</u></b>  For the Current Year Provide the Following Data:  <div style="text-align: center;">             Interest Penalties Paid  <u>AS Reported in B.3.a and B.3.b</u> </div>		

<b>PROMPT PAYMENT REPORT</b> <b>ACCT RPT (Q) 1619</b> <b>FOR QUARTER ENDING _____, 199X</b>		
COMPONENT:		DATE:
PROJECT OFFICER:		PHONE NO.:
<u>Amount of Penalty</u>	Number of Payments	Dollars Paid
<u>\$1.00 - \$25.00</u>	_____	_____
<u>\$25.01 - \$500.00</u>	_____	_____
<u>\$500.01 - 1,000.00</u>	_____	_____
<u>\$1,000.01 - \$2,500.00</u>	_____	_____
<u>\$2,500.01 - \$5,000.00</u>	_____	_____
<u>Over \$5,000.00</u>	_____	_____
<b>H. <u>Progress Made:</u></b> On a separate sheet, describe specific achievements and problems during the FY in implementing the "Prompt Payment Act" and OMB Circular A-125. Include a description of any agency experience in determining the most appropriate timing for release of payment authorization so that invoices are paid as close as possible to the due date without exceeding it.		
<b>I. <u>Description of Agency Payment Practices:</u></b> On a separate sheet, describe the extent to which Agency payment practices satisfy the requirements of the "Prompt Payment Act" and Circular A-125.		
<b>J. <u>Updated Description of Agency Quality Control System:</u></b> Describe the extent to which the Agency quality control system conforms to the requirements of subsection 3.e. of Circular A-125. Where appropriate, describe Agency plans to implement or upgrade a quality control system. Data reported in sections B. through E. were /_/ were not /_/ collected through a quality control process meeting the requirements of subsection 3.e. of Circular A-125.		
<b>K. <u>Designated Agency Contacts:</u></b> Provide the address, title of position if applicable), and telephone number where the public may obtain the most current list of designated Agency contracts within payment or finance centers to provide assistance in determining the status of invoices. Provide the Agency schedule for publishing the list.		
<b>L. <u>Certification:</u></b> I certify that the data reported on this form are as accurate as possible:  _____		

1/ For contracts before April 1, 1989, include payments made after the grace period. For contracts date on or after April 1, 1989, include all payments made after the due date.

2/ Applies to contracts awarded before April 1, 1989, only.

FIGURE 8-4

<b><u>PROMPT PAYMENT</u></b> <b><u>QUALITY CONTROL SYSTEM INITIATIVE</u></b>			
A. COMPONENT:		B. DATE	
C. PROJECT OFFICER:		D. TELEPHONE NO.:	
E. INITIATIVE TITLE:		F. ID NO. PAA-	
G. BACKGROUND			
H. SUMMARY OF PROPOSED ACTIONS AND EXPECTATIONS:			
I. MILESTONES		COMPLETION DATES	
		ESTIMATED	ACTUAL
J. STATUS:			

FIGURE 8-5

<b><u>DIRECT DEPOSIT/ELECTRONIC FUNDS TRANSFER (DD/EFT)</u></b> <b><u>STATUS REPORT</u></b> <b>FOR QUARTER ENDING _____, 199_</b>				
COMPONENT:		DATE:		
POINT OF CONTACT:		TELEPHONE NO.:		
<b>PART I - DIRECT DEPOSIT</b>	PERSONNEL STRENGTH	NO. OF PARTICIPANTS	PARTICIPATION RATE	DOLLAR AMOUNT
<u>Cat.- Personnel:</u> Active Duty Mil  Military Retired  Annuitants  Reserve Components  Civilians - 50 States/Overseas				
<b>PART II- ALLOTMENTS</b>	INDIVIDUAL CHECKS	COMPOSITE CHECKS	EFT PAYMENTS	TOTAL
Number				
Dollar Amount				
<b>PART III - TRAVEL PMTS</b>	CASH	TREASURY CHECKS	EFT PAYMENTS	TOTAL
Number				
Dollar Amount				
Average Settle- ment Days				
Range - Settle- ment Days				
<b>PART IV - VENDOR PMTS</b>	CASH	TREASURY CHECKS	EFT PAYMENTS	TOTAL
Number				
Dollar Amount				

FIGURE 8-6

0805 MUTUAL LOGISTICS REPORTS

080501 Purpose and Report Control Number. This section prescribes the annual reports required by 10 U.S.C., Chapter 138, Sections 2341 through 2350, "North Atlantic Treaty Organization (NATO) Mutual Support Act of 1979," as amended. These reports are designed to advise the Congress of the various DoD Components' performance in reimbursable and exchange transactions related to the sale to or exchange of mutual logistics support, supplies, and services with a foreign country. This report has been assigned Report Control Number, Acct Rpt(A)1570 for both reimbursable and exchange transactions. These transactions are to be reported as either "reimbursable purchases and sales" or "reimbursable purchases and sales exchanges."

080502 Applicability and Scope

A. The reporting requirements apply to the Office of the Secretary of Defense (OSD); Military Departments, the Chairman, Joint Chiefs of Staff, Joint Staff; and the Unified Combatant Commands; and the Defense Agencies (DoD Components).

B. Amounts reported as reimbursable or exchange transactions are to be supported by country-to-country or multinational agreements for mutual logistics support between the United States and Governments of other NATO countries, NATO subsidiary bodies, and other eligible foreign countries.

080503 Report Format. Annual reports shall be prepared in the format illustrated in figures 8-7 and 8-8.

080504 Frequency and Distribution. Annual reports shall be submitted as follows:

A. The Secretaries of the Military Departments or designees shall submit to the Director, Washington Headquarters Service (WHS), not later than December 1 of each year, the following:

1. A detailed report for each country-to-country or multinational agreement

entered into under the authority of 10 U.S.C., Chapter 138, sections 2341 through 2350, "NATO Mutual Support Act of 1979," as amended, that was in effect during the prior fiscal year, itemized by reimbursable or exchange transactions.

2. A detailed report for each agreement expected to be effective in the current year, itemized by reimbursable or exchange transactions.

B. WHS shall consolidate the Military Department reports for the annual report. The annual report is to be coordinated with the Office of the Under Secretary of Defense (Acquisition and Technology), Office of the Assistant Secretary of Defense (Legislative Affairs), and the OUSD(C). WHS is to submit the annual report, no later than February 1 of each year, to the Congress.

080505 Preparation Instructions. The information prescribed in paragraph 080505.A through 080505.D, below, is to be included in the Acct Rpt(A)1570.

A. Agreement Identification. Each basic source document used to report a transaction shall be cross referenced to the applicable country-to-country or multinational agreement. The agreement subject, date and number shall be identified.

B. Appropriation or Fund Account Symbol. Each DoD appropriation is assigned an appropriation code by the Treasury Department. The appropriation code should be reflected in each basic source document.

C. Transaction Types. The following types of reimbursable and/or exchange transactions are to be reported:

1. Purchase of petroleum, oil, and lubricants (POL) and services.

2. Purchase of supplies (material) other than POL.

3. Purchases when an exchange of POL and services is converted to a reimbursable

transaction (purchase) due to nonissue of replacement POL or services.

4. Purchases when an exchange of supplies (material), other than POL, is converted to a reimbursable transaction (purchase) due to nonissue of replacement material.

5. Sale of materials, POL, or services.

6. Sale when an exchange is converted to a reimbursable transaction (sale) due to nonreceipt of replacement material, POL, or service.

7. Exchanges when a DoD activity requests the transfer subject to future replacement of material, POL, or services from a military component of a foreign country.

8. Exchanges when a military component of a foreign country requests the transfer subject to future replacement of material, POL, or services from a DoD activity.

9. Exchanges when a DoD activity receives replacement material, POL, or service.

10. Exchanges when a DoD activity issues replacement material, POL, or service.

D. Other Information. The following information is provided to assist the performing DoD Component in processing reimbursable and exchange transactions:

1. Source Document Control Number. Efforts should be made to establish a control number similar to a DoD requisition number; e.g., a number containing a code for Military Service, a code for requisitioner, a date, and a document serial number.

2. Unit of Issue. Unit of issue refers to the quantity of an item such as each

number, dozen, gallon, pair, pound, ream, set, or yard.

3. Quantity. Amount either issued or received depending on transaction type.

4. Unit Price. This is a price based on unit of issue.

5. Extended Dollar Value. This is the dollar value resulting from a combination of items in paragraphs 080505.D.2 through 080505.D4, above.

6. Name and mailing address of the organization to be billed. This should be included in the country-to-country or multinational agreement.

7. Name and mailing address of receiving organization. This should be included in the country-to-country or multinational agreement.

8. Signature of receiver. Self-explanatory.

9. Name and mailing address of issuing organization. This should be in the country-to-country or multinational agreement.

10. Date (year, month, day) (YYMMDD). The date services were performed or material delivered.

11. National Stock Number (NSN) of material or abbreviated description of services provided. The NSN is a number assigned under the Federal Cataloging System and/or North Atlantic Treaty Organization Codification of Equipment System to each approved item identification. This number provides a unique identification of an item of supply within a specified Federal supply classification.

<b><u>TITLE 10 U.S.C. CHAPTER 138;</u></b> <b><u>"TRANSACTIONS,</u></b> <b><u>REIMBURSABLE PURCHASES, AND SALES</u></b> (in thousands)" Acct Rpt (A) 1570		
DoD COMPONENT:		FY:
AGREEMENT IDENTIFICATION:		<u>1/</u>
APPLICABLE PRICING PROCEDURES <u>2/</u>		
APPROPRIATION OR FUND ACCOUNT	DOLLAR VALUE OF PURCHASES (ACQUISITION)	DOLLAR VALUE OF SALES (TRANSFERS)
<u>3/</u>	<u>3/</u>	<u>4/</u>
<u>DESCRIPTION:</u>  Describe in brief detail the essential elements of the applicable agreement.		

NOTES:

- 1/ Subject of the agreement, date, and number is to be taken from the applicable agreement.
- 2/ Annotate either "(a) reciprocal" or "(b) nonreciprocal," depending upon terms of the agreement.
- 3/ Obligations and expenditures are to be included in the direct program portion of the applicable Acct Rpt(M)1002, "Report On Appropriation Status By Fiscal Year Program Subaccounts."
- 4/ The value of customer orders and their status are to be included in the Non-Federal source portion of the applicable Acct Rpt(M)725 "Report on Reimbursements." If payment is not received by the due date, Chapter 12 of this Volume shall be followed.

FIGURE 8-7



<p align="center"><b><u>TITLE 10 U.S.C. CHAPTER 138;</u></b>  <b><u>"TRANSACTIONS,</u></b>  <b><u>REIMBURSABLE PURCHASES, AND SALES</u></b>  <b><u>EXCHANGES</u></b>  <b><u>(in thousands)"</u></b>  <b>Acct Rpt (A) 1570</b></p>				
DoD COMPONENT:		FY:		
AGREEMENT IDENTIFICATION:		<u>1/</u>		
A. RECEIPT DATA <u>2/</u> <u>3/</u>				
APPROPRIATION OR FUND ACCOUNT	VALUE OF MATERIAL OWED AT BEGINNING OF FY	VALUE OF MATERIAL RECEIVED DURING FY	VALUE OF MATERIAL REPLACED DURING FY	VALUE OF MATERIAL OWED AT END OF FY
B. ISSUE DATA <u>2/</u> <u>3/</u>				
APPROPRIATION OR FUND ACCOUNT	VALUE OF MATERIAL OWED AT BEGINNING OF FY	VALUE OF MATERIAL RECEIVED DURING FY	VALUE OF MATERIAL REPLACED DURING FY	VALUE OF MATERIAL RECEIVABLE AT END OF FY
<u>DESCRIPTION:</u>  Describe in brief detail the essential elements of the applicable agreement.				

NOTES:

- 1/ Subject of the agreement, date, and number is to be taken from the applicable agreement.
- 2/ The types of information to be included is addressed in paragraph 080505.C, of this chapter.
- 3/ When services which are difficult to cost, such as range target details, are exchanged within the same accounting period, the DoD activity providing or receiving the service may process transactions at an estimated dollar value. Under this type of transaction, the DoD activity shall process separate transaction reports for transaction type in paragraph 080505.C.9 of this chapter ("exchanges, when a DoD activity receives replacement material, POL, or services") and transaction type, in paragraph 080505.C.10 of this chapter ("exchanges when a DoD activity issues replacement material, POL, or service").

FIGURE 8-8